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SUBJECT: DAILY SUMMARY OF JAPANESE PRESS 01/09/07

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ARTICLES:

- (1) Taku Yamasaki of LDP to visit Pyongyang to find a diplomatic breakthrough; Seeking way to restore Japan-DPRK Pyongyang Declaration

Taku Yamasaki, former vice president of the ruling Liberal Democratic Party (LDP), yesterday left Narita Airport for Beijing and continued on to North Korea today. The purpose of his trip to North Korea is to meet with a high-level North Korean official to confirm that the Japan-North Korea Pyongyang Declaration, seen now essentially as a dead letter, is still valid. He also will seek clues for breaking the deadlock in Japan-North Korea relations. Yamasaki's planned visit to the North is a private one that does not involve the Japanese government.

Just before leaving for Beijing yesterday afternoon, Yamasaki stated that he wanted to restore the Japan-North Korea Pyongyang Declaration. He stated that the nuclear, abduction, and missile issues must be resolved together, and in order to reach that goal, he said he wanted to exchange views with senior officials, taking much time.

Yamasaki will leave Beijing this morning and arrive in Pyongyang this afternoon. Deputy LDP Secretary General Ryotaro Tanose (Yamasaki faction) will travel with him. They are expected to stay in Pyongyang until Jan. 13.

As to whom he plans to meet with during his visit, Yamasaki stated: "I've asked for meeting a ranking official close to North Korean leader Kim Jong Il. I may meet with Ambassador Song Il Ho, who is in charge of Japan-DPRK talks. He is not the communication channel used for this visit."

Ahead of his trip, Yamasaki met with relevant US and Chinese officials as part of the preparations. When he visited the United

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States last July, Yamasaki secretly met with a journalist having close ties with the North and received (from the journalist) an "invitation to visit that country" in the name of General Secretary Kim. He also met with Senator John McCain, former Deputy Secretary of State Richard Armitage, and other officials to exchange views on diplomatic strategy toward the North.

After the Abe administration was established in last September, Yamasaki met with Chinese Ambassador to Japan Wang Yi in Tokyo and conveyed to him a plan to travel to North Korea.

Their series of talks reportedly made Yamasaki more convinced that: (1) in order to denuclearize the Korean Peninsula, it is vitally important to bring North Korea back to the Nuclear Non-proliferation Treaty (NPT) and have it accept inspectors from the International Atomic Energy Agency; and (2) Japan should give more weight to dialogue and persuasion instead of increasing pressure on the North by sanctions.

Late last year, Yamasaki met with former Prime Minister Koizumi and strongly advised him to make a third trip to Pyongyang so as to confirm with General Secretary Kim the restoration of the Pyongyang Declaration and to break the current impasse in bilateral relations. Yamasaki describes his visit to Pyongyang this time as setting the stage for Koizumi to make a third trip to North Korea.

The Japanese government, however, has been cool about Yamasaki's visit.

A government official concerned stated critically: "Mr. Yamasaki's tour of the North would be seen as no more than a part of 'spying activities' by North Korea. Some in Japan fall victim to North Korea's allurements and become cautious about economic sanctions."

A senior LDP member, too, pointed out: "In diplomatic talks, it is customary for the North Koreans to seek a reward. But in the case of diplomacy led by an individual lawmaker, there is a limit to what he can promise to the other side, for example, food aid."

(2) New Komeito head says, "It's too early to set constitutional revision as a campaign issue" for Upper House election

ASAHI (Page 2) (Full)
January 8, 2007

Toshinari Etori, Beijing

New Komeito Representative Ota, now on his tour of China, when asked by reporters accompanying him in Beijing on the night of Jan. 7 about Prime Minister Abe's move to make constitutional revision a campaign issue in this summer's Upper House election, made this comment: "I deem it important for every party to have in-depth discussion. A hasty discussion of the details of constitutional revision would not lead to bringing about a good result. Isn't it too early to make constitutional revision a campaign issue for the Upper House election?"

Ota also revealed that when he had telephoned the prime minister on Jan. 6, the two agreed to enact a national referendum bill prescribing the procedures for constitutional revision into a law during the ordinary Diet session, which is to be convened on Jan. 25.

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Moreover, speaking of the problem that a person associated with Agriculture Minister Matsuoka had made an inquiry about approval for a non-profit organization to the Cabinet Office, Ota indicated that Matsuoka's account was insufficient to obtain public understanding, noting: "First of all, Mr. Matsuoka needs to provide a much clearer account."

On the night of Jan. 7, Ota met with Wang Jiarui, head of the International Department of the Communist Party of China in Beijing and made this request about the abductions of Japanese people by North Korea: "The Abductions are an emotional issue and a matter of sovereignty. We strongly hope to see the issue put on the negotiating table in the six-party talks (which are now in recess)." Wang responded, "We'd like to give due consideration to your request," indicating a positive attitude about taking up the abduction issue in the six-party talks.

(3) Central, local governments agree to discuss Futenma relocation plan on Jan. 19

ASAHI (Page 2) (Full)
January 9, 2007

Deputy Chief Cabinet Secretary Seiji Suzuki arrived in Okinawa on Jan. 7 and held talks on the relocation of the US Marine Corps' Futenma Air Station (in Ginowan City, Okinawa) with Okinawa Gov. Hirokazu Nakaima and heads of relevant municipalities. Both sides agreed in principle to hold the third round of talks between the central government and local governments on Jan. 19.

Later in the day, Suzuki met with Nago Mayor Yoshikazu Shimabukuro and heads of Kim Town, Ginoza Town, and Higashi Town, in addition to Gov. Nakaima. On the Futenma relocation plan, Defense Agency Director-General Kyuma made a remark implying a review of the current plan for the construction of V-shaped runways. But after a series of meeting yesterday, Suzuki told reporters: "I conveyed to them that the (central government) would like to go ahead with the V-shaped runway plan as previously agreed on (by Japan and the US)." He thus made it clear that the central government would advance the current plan.

(4) Finance Ministry plans to simplify domestic procedures for EPAs

NIHON KEIZAI (Page 3) (Abridged slightly)
January 9, 2007

The Finance Ministry has decided to simplify the domestic process each economic partnership agreement (EPA) has to undergo before taking effect with the aim of helping the government implement trade pacts speedily. Under the current system, it takes an inked EPA about one year to go into effect. The ministry aims to pass EPA advantages speedily on to domestic industries in line with the

government's policy direction to utilize EPAs in revitalizing the economy.

The Finance Ministry plans to submit related bills to the Diet in the regular session scheduled to open on Jan. 25. The simplified procedures could be applied to all the EPAs inked on April 1 or beyond. Japan has reached basic accords on EPAs -- a step short of signing pacts -- with Thailand, Chile, Indonesia, and Brunei.

Once an EPA is signed under the current system, the government is required each time to draft a bill to amend the Temporary Tariff

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Measures Law specifying tariffs on specific items and other factors for deliberations in the Diet. In concrete terms, the legislation specifies: (1) a bilateral safeguard (import curb) system allowing the government to suspend tariff cuts in stages for protecting domestic producers hard hit by rapid increases in imports; and (2) a bilateral tariff quota system to impose high tariffs on imports of certain items in excess of specific levels.

In the case of Singapore, Japan's first EPA partner, it took Tokyo about 10 months to make preparations for the pact to go into effect. In the event of the EPA with Malaysia that was inked last July, the procedures took seven months.

The Finance Ministry intends to submit to the Diet a plan to establish a general provision in the Temporary Tariff Measures Law to apply the safeguard and the bilateral quota systems widely so that the government would not have to revise the law every time a pact is inked. This will result in reduced costs for administrative work, such as drawing up bills and conducting Diet deliberations.

To date, Japan has concluded or reached basic accords on EPAs with eight countries. The government's Council on Economic and Fiscal Policy has come up with a plan to triple the number of EPAs over the next two years. With major powers, including China and the United States, accelerating efforts to conclude EPAs, speedily implementing trade pacts has been a policy task for Japan.

(5) Japan, US to draw up nuclear energy promotion action program featuring technological cooperation, funds assistance

NIHON KEIZAI (Page 3) (Full)
January 9, 2007

The Japanese and US governments will draw up an action program by April for promoting a project to construct nuclear facilities in the US. The program will feature joint research on nuclear fuel reprocessing technology and economic assistance to Japanese firms entering the US nuclear power plant construction market. An official agreement is expected to reach in talks on Jan. 9 in Washington between Economy, Trade, and Industry Minister Akira Amari and US Secretary of Energy Samuel Bodman.

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Last February, the US came up with the Global Nuclear Energy Partnership (GNEP) featuring a new approach to recycling of spent nuclear fuel. Japan, a country with an excellent record in developing fast-breeder reactors, will extend technological cooperation for realizing the US plan. Japan and US will jointly produce an action plan by putting together specific contents of cooperation, a timetable for joint research, and other factors.

The US had been reluctant to build new nuclear power plants since the 1979 Three Mile Island accident, but the country shifted its policy in 2005. The US is expected to make 25 nuclear reactors operational by 2020. The action program is expected to incorporate financial assistance and other measures to give a boost to Japanese firms eager to join the project to construct nuclear power plants in the US. As financial assistance, the US government plans to implement tax cuts and debt guarantees and the Japanese government intends to apply trade insurance to the project.

Amari and Bodman are also like to reach an accord on promoting clean

use of coal and bio-fuel.

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(6) China hunting for crude oil: Obtains concession rights to 29 sites in 15 African countries in exchange for financial assistance

YOMIURI (Page 10) (Excerpts)
January 4, 2006

Facing a sharp increase in the prices of energy, such as crude oil and natural gas, many countries are strategically trying to secure interests in natural resources. Natural resources nationalism, meaning natural-resource-rich nations enclosing their natural resources, is rising. This newspaper will report this situation in detail and probe into how Japan should deal with the situation.

I. Scramble for natural resources

Part 1: Clashes of national interests

Lagos, a port city in southwestern Nigeria, is lively due to the boom to develop oil fields on the coastal area.

Many Chinese are working at crude oil drilling sites. However, there is no sign of the Chinese workers because those other than persons in charge are denied access to the area that is seen as a potential target of anti-government terrorists.

Even so, the presence of Chinese workers can be felt here and there. Chinese companies are undertaking the construction of infrastructure, including the construction of roads and communications cables, in the city. Construction overseers are also Chinese.

Nigeria is the largest oil-producing nation in Africa with its output at 2.5 million barrels a day. Three Chinese state-run oil companies have advanced into Nigeria and obtained rights to explore and develop minerals.

China's top-level diplomatic efforts have resulted in China National Petroleum Corporation's (CNPC) obtaining a development right in the No. 4 mining area. President Hu Jintao visited Nigeria in April 2006. He offered financial assistance worth 4 billion dollars (approximately 470 billion yen) for the construction of a power plant and other facilities and obtained the developing right in exchange for that.

China is constructing railways, hospitals, houses and power plants in many African countries. Its strategy is to obtain energy-development rights by establishing close political relations through generous financial assistance.

A survey by the Yomiuri Shimbun found that China has obtained rights to develop 29 oil fields in 15 countries since it started advancing into African nations.

China hosted the China-Africa Cooperation Forum Beijing Summit on November 4-5 last year, inviting leaders of 48 African countries. Declaring that China is Africa's partner that can be trusted forever, Hu pledged to extend low-interest loans worth 3 billion dollars for the next three years and forgive debts of heavily indebted nations.

China attaches importance to Africa, because international oil measures have already obtained rights to develop major oil fields in the Middle East or those oil fields are already under strict

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government control. Chinese companies have even advanced into Sudan and Angola, countries which European, US and Japanese companies find it too risky to embark on business due to great political risks, such as unstable political situations or human rights suppression. It does not care about international criticism.

Demand for crude oil is skyrocketing in China, where high economic growth topping 9% a year is continuing. Its crude oil imports doubled from 60.26 million tons in 2001 to 122.72 million tons in 2004. Imports in 2006 are estimated to have reached around 140 million tons.

Commenting on China's all-out efforts to obtain interests in natural resources, Ken Koyama, research director of the Japan Energy and Economic Research Center, pointed out: "A sharp increase in crude oil imports by China has made the crude oil market a sellers' market politicizing the market, where prices are supposed to be set by market mechanisms."

The price of crude oil, which stood at the 20-dollar-per-barrel level (West Texas Intermediate) in the beginning of 2001, soared to 78 dollars at one point.

Japan losing one development right after another

Moves to secure crude oil through political clout are spreading to other countries in order to counter China.

South Korean President Roh Moo Hyun visited Nigeria in March 2006 and obtained an oil-development right there in exchange for investment of 6 billion dollars for the construction of a power plant and other facilities. He also invited leaders of more than 20 African countries to the Blue House in Seoul and announced a plan to triple official development assistance (ODA) to those countries. It is acting exactly the same as China.

On the other hand, Japan has lost rights to develop oil fields independently one after another. It drilled in the Khafji oil field stretching over Saudi Arabia and Kuwait for 40 years but lost the rights in Saudi Arabia when negotiations to renew the contract with that nation ended in rupture in February 2000.

Japan had pinned hopes on the Azadegan oil field as a major oil field replacing the Khafji oil field. However, its stake was reduced from 75% to 10% last October. Japan's stake in the Sakhalin-2 project, a project to develop oil and natural gas in Sakhalin, was also reduced 50% last December. It is being overpowered by resource-rich countries, which are trying to regain interests in their own resources.

Occasioned by China's economic rise, the world has begun to undergo a sea change into the age of hegemony.

(7) Poll on this summer's upper house election

MAINICHI (Page 15) (Full)
January 6, 2007

Questions & Answers
(T = total; M = male; F = female)

Q: Are you interested in this summer's election for the House of Councillors?

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	T	M	F
Very interested	20	25	15
Somewhat interested	51	51	51
Not very interested	22	18	26
Not interested at all	5	6	5

Q: Which political party between the Liberal Democratic Party and the Democratic Party of Japan would you like to win in this summer's election for the House of Councillors?

	T	M	F
LDP	40	36	44
DPJ	38	48	29
Other political parties	14	11	18

Q: What will you consider first when voting in the forthcoming election?

	T	M	F
Personal character	14	12	16
Image	4	3	4
Career, actual results	8	8	8
Policies	56	56	56
Each candidate's political party	11	16	7
Requests from acquaintances, relatives	3	2	4

Q: What would you like politicians to consider first when they are elected in this summer's election?

	T	M	F
National policies	61	65	58
Liaising with government, ruling party officials	5	6	5
Contributing to home constituencies	28	25	30

Q: There is also an opinion saying the House of Councillors is unnecessary. What do you think about this upper chamber of the Diet?

	T	M	F
All right to maintain it	29	27	32
Empower it further	36	40	33
Abolish it	26	29	23

Q: Prime Minister Abe came into office after Prime Minister Koizumi. Do you think the LDP has changed under Prime Minister Abe?

	T	M	F
Changed for the better	6	7	5
Changed for the worse	18	22	15
No change	69	67	71

Q: (Only for those who said the LDP has "changed for the better") How do you think the LDP has changed for the better?

	T	M	F
The LDP is now again what it used to be before Prime Minister Koizumi	41	45	36
The LDP is further destroyed	41	48	32

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Q: (Only for those who said the LDP has "changed for the worse") How do you think the LDP has changed for the worse?

	T	M	F
The LDP is now again what it used to be before Prime Minister Koizumi	68	74	60
The LDP is further destroyed	25	19	33

Q: Internet electioneering on websites and through emails is currently prohibited under the Public Offices Election Law. Meanwhile, there is an opinion insisting on revising the law to allow electioneering on the Internet. What do you think about this?

	T	M	F
Allow both website and email electioneering	18	20	15
Allow website electioneering only	39	44	34
Internet electioneering should not be allowed	29	27	31

(Note) Figures shown in percentage, rounded off. "0" indicates that the figure was below 0.5%. "No answer" omitted.

Polling methodology: The survey was conducted Dec. 9-10, 2006 over the telephone with the aim of calling a total of 1,500 voters across the nation on a computer-aided random digit sampling (RDS) basis.

Answers were obtained from 1,451 persons.

(8) Poll on living, economy

YOMIURI (Page 11) (Full)
December 27, 2006

Japan is currently in the postwar longest phase of economic expansion. However, the general public cannot actually feel its blessings. This was endorsed in a recent nationwide public opinion survey conducted by the Yomiuri Shimbun. That is presumably because steady corporate performance has not reached the livelihood of people in general. Furthermore, the general public is strongly aware of the nation's social divide, such as the income disparity and the urban-rural gap. This shows that the nation's economic expansion is a boom for those on the winning side.

Questions & Answers
(Figures shown in percentage)

Q: The government has declared that Japan's economy has been smoothly recovering. Do you actually feel economic recovery?

Very much	2.0
Somewhat	19.0
Not very much	41.9
Not at all	36.0
No answer (N/A)	1.0

Q: Are you better off now when compared with this time last year?

Very easy	0.7
Somewhat easy	5.0
No change	68.5
Somewhat hard	19.8

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Very hard	5.5
N/A	0.5

Q: Has your household's before-tax income increased over the past year?

Increased very much	0.9
Increased somewhat	11.2
No change	56.4
Decreased somewhat	23.2
Decreased very much	6.5
N/A	1.8

Q: Have you constrained your spending when compared with a year ago?

Constrained very much	12.1
Constrained somewhat	50.8
Not constrained very much	27.9
Not constrained at all	6.4
N/A	2.9

Q: Do you now feel less reluctant to buy expensive goods when compared with this time last year?

Yes	8.4
Yes to a certain degree	16.6
No to a certain degree	30.6
No	40.9
N/A	3.6

Q: Did you spend more money this year for clothing and fashion than you did last year?

More than last year	9.2
No change	61.3
Less than last year	29.0
N/A	0.5

Q: How about money for eating out?

More than last year	13.5
No change	57.6
Less than last year	28.3
N/A	0.6

Q: How about travel and leisure spending?

More than last year	11.7
No change	56.8
Less than last year	30.8
N/A	0.7

Q: Are you thinking of spending more money for shopping and other purposes?

Yes	11.3
No	79.2
N/A	9.5

Q: (Only for those who answered "no" to the foregoing question) Why? Pick as many as you like from among those listed below.

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Can't expect my income to increase	56.5
Feel uneasy about future life, such as pension, medical service, nursing care.	49.3
Can't take it easy	35.3
Want to save money for future purposes	34.7
Feel uneasy about the future of the economy	30.8
A tax hike seems inevitable	23.2
There's nothing to buy	9.9
No particular reason	3.7
Other answers (O/A) + N/A	1.2

Q: If there's anything for which you want to spend more money, pick as many as you like from among those listed below.

Health	43.5
Eating	20.3
Clothing, fashion	10.6
Housing, interior furnishings	15.8
TV, other electric appliances	11.4
PCs	5.5
Autos, motorcycles	6.8
Travel, leisure	27.6
Hobbies	27.5
Get a license, enlighten myself	9.1
Education	15.8
Communications	7.2
O/A	0.3
Nothing in particular	16.8
N/A	0.2

Q: What's your level of living? Pick only one from among those listed below.

Upper	1.5
Upper middle	12.1
Average	45.9
Lower middle	32.5
Lower	6.5
N/A	1.5

Q: Do you think the gap between rich and poor people in Japan has widened, or do you otherwise think it has narrowed?

Widened	46.0
Widened to a certain extent	27.8
No change	22.2
Narrowed to a certain extent	2.0
Narrowed	0.5
N/A	1.5

Q: Do you think the economic gap between urban and rural districts have widened, or do you otherwise think it has narrowed?

Widened	40.9
Widened to a certain extent	26.2
No change	24.4
Narrowed to a certain extent	1.6
Narrowed	0.9
N/A	5.9

Q: Recently, companies tend to hire part-time or temporary workers, instead of hiring permanent employees, to constrain personnel costs. Do you think it is a problem?

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Yes	50.1
Yes to a certain degree	25.7
No to a certain degree	10.1
No	10.2
N/A	3.9

Q: Do you think Japan's economy will be better than now in a year, or do you otherwise think it will be worse than now?

Better	16.8
Remain unchanged	61.7
Worse	17.8
N/A	3.7

Q: What's the size of your family now? Pick only one from among those listed below.

A big family with grandparents and grandchildren	20.1
A family with parents and children only	48.4
A family with husband and wife	23.4
Living alone (bereaved, divorced, separated, etc.)	3.7
Living alone (unmarried)	3.5
O/A	0.3
N/A	0.6

Polling methodology

Date of survey: Dec. 9-12, 2006.

Subjects of survey: 3,000 persons chosen from among all eligible voters throughout the country (at 250 locations on a stratified two-stage random-sampling basis).

Method of implementation: Door-to-door visits for face-to-face interviews.

Number of valid respondents: 1,751 persons (58.4%)

Breakdown of respondents: Male-44%, female-56% ; persons in their 20s-10%, 30s-15%, 40s-16%, 50s-22%, 60s-21%, 70 and over-16% ; big cities (Tokyo's 23 wards and government-designated cities)-23%, major cities (with a population of more than 300,000)-19%, medium-size cities (with a population of more than 100,000)-24%, small cities (with a population of less than 100,000)-23%, towns and villages-11%.

DONOVAN